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**FILED**

DEC 06 2011

SECRETARY, BOARD OF  
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

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**In the Matter of the Petition of Genwal  
Resources, Inc. for Review of Division  
Order DO10A, Crandall Canyon Mine**

**STIPULATION AS TO COSTS OF  
WATER TREATMENT FOR THE  
CRANDALL CANYON MINE**

Docket No. 2010-026

Cause No. C/015/0032

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The Utah Division of Oil, Gas and Mining (the "Division") and Petitioner Genwal Resources, Inc. ("Genwal") through their respective counsel hereby jointly Stipulate as follows:

1. In lieu of proceeding with an evidentiary hearing on the annual operating costs for the water treatment system at the Crandall Canyon mine at the December 7, 2011 Board Hearing, the parties stipulate that the total annual costs are \$240,000.00 as itemized on the schedule of costs attached hereto as Exhibit A. These costs are based on each party's estimates and data and are presented as a good faith compromise while acknowledging differences of opinion may exist.

2. This amount and itemized schedule may be used by the Division and the Board to satisfy any current permit obligations to provide treatment costs and details and will be

subject to continued permit oversight including abating the pending notice of violation, and to address the requirements of the Division Order 10-A.

3. This estimate of costs is based on current operations. In the event of significant changes in the operational costs or process, either party may petition the Board for a review of this number with regard to any purposes for which the estimated operation costs may be used.

4. If Genwal's cost of treatment substantially change or for any other reason, the Division and Genwal each reserve the right to request a modification of the amount based on additional information and to request a hearing before the Board to determine a modified estimate of costs if necessary.

5. The parties have entered into this Stipulation, subject to the Board of Oil, Gas and Mining's ("Board") approval.

The foregoing Stipulation is approved by signature of counsel as of the date shown.

Division of Oil, Gas and Mining

BY: 

Dated: 12/6/11

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**GENWAL RESOURCES, INC.**

BY: 

Dated: 12/6/11

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## Mine Water Treatment Operations and Maintenance Cost Estimates

	<b>Stipulated Costs</b>
<b>Operations</b>	
Labor (1)	\$ 54,152
Treatment Chemicals – Coagulant	80,500
Treatment Chemicals – Flocculant	9,800
Water Haulage	0
Snow Removal (2)	3,600
Laboratory Analysis (3)	6,864
Propane	0
Power (4)	6,144
Telephone (5)	540
UPDES Permit (6)	0
Subtotal Operations:	\$ 161,600
<b>Maintenance</b>	
Sludge Cleanout & Disposal (7)	\$ 72,000
Disposal Site Land Cost (8)	3,000
Equipment Maintenance (9)	0
Pond Maintenance (10)	2,100
Equipment Replacement (11)	1,300
Subtotal Maintenance:	\$ 78,400
<b>Total Operations &amp; Maintenance</b>	<b>\$ 240,000</b>